

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT FILING OF	)	CASE NO.
GARRARD COUNTY WATER ASSOCIATION, INC.	)	2016-00344

ORDER

On September 26, 2016, Garrard County Water Association, Inc. (“Garrard County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Garrard County purchases water from the city of Berea (“Berea”), the city of Lancaster (“Lancaster”), and from the city of Danville (“Danville”).

2. Berea notified Garrard County that its wholesale rate to Garrard County would increase from \$2.50 per 1,000 gallons to \$2.64 per 1,000 gallons effective October 10, 2016.<sup>2</sup> Garrard County proposes to increase the water rates to its customers effective October 10, 2016, to reflect the increased cost of purchased water.

3. On October 13, 2016, Garrard County filed a letter requesting to revise the date the increase to its customers would be effective due to a change in the

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<sup>1</sup> KRS 278.012; 807 KAR 5:068.

<sup>2</sup> TFS 2016-00513 (Ky. PSC filed Aug. 31, 2016); the tariff was accepted for filing by the Commission by letter dated Nov. 3, 2016.

effective date of Berea's increase to November 10, 2016. Garrard County now proposes to increase the water rates to its customers effective November 10, 2016.

4. Garrard County proposes a purchased water adjustment factor of \$0.01 per 1,000 gallons.

5. During the 12 months ended July 31, 2016, Garrard County purchased 27,493,558 gallons of water from Berea, 272,950,310 gallons of water from Lancaster, and 78,095,987 gallons of water from Danville. During the same period, Garrard County sold 303,687,674 gallons of water. The increase in the cost of purchased water is \$3,849.10, resulting in a purchased water adjustment factor of \$0.01 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.01 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved as requested by Garrard County.

7. Garrard County's proposed rates should be denied. Garrard County made an error in calculating its proposed rates.

8. The rates set forth in Appendix B to this Order are fair, just and reasonable and should be approved for water service rendered by Garrard County on and after November 10, 2016.

IT IS THEREFORE ORDERED that:

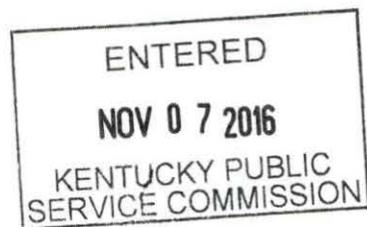
1. The purchased water adjustment factor of \$0.01 per 1,000 gallons is approved.

2. Garrard County's proposed rates are denied.

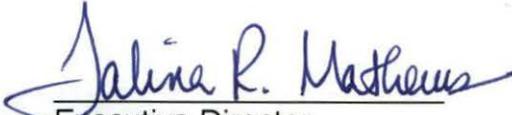
3. The rates as set forth in Appendix B to this Order are approved for water service rendered by Garrard County on and after November 10, 2016.

4. Within 20 days of the date of this Order, Garrard County shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission



ATTEST:

  
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00344 DATED **NOV 07 2016**

	New Rate	Base Rate
Garrard County		
Purchases in gallons		
Berea	27,493,558	27,493,558
	<u>\$ 2.64/1,000</u>	<u>\$ 2.50/1,000</u>
	\$72,582.99	\$ 68,733.90
Lancaster	272,950,310	272,950,310
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>
Danville	78,095,987	78,095,987
Volumetric rate	<u>NO CHANGE</u>	<u>NO CHANGE</u>
Total	\$ 72,582.99	\$ 68,733.90
Increased water cost		\$ 3,849.10

Increased water cost \$ 3,849.10  
 Divided by gallons sold/1,000 303,687,674  
 Purchased water adjustment factor \$ 0.0127 per 1,000 gallons  
 or \$ 0.01 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2016-00344 DATED **NOV 07 2016**

The following rates and charges are prescribed for the customers in the area served by Garrard County Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8- x 3/4-Inch Meter

First	1,000 gallons	\$ 10.63 Minimum Bill
Next	1,000 gallons	5.73 per 1,000 gallons
Next	1,000 gallons	4.63 per 1,000 gallons
Next	2,000 gallons	4.43 per 1,000 gallons
Over	5,000 gallons	4.13 per 1,000 gallons

1-Inch Meter

First	5,000 gallons	\$ 29.85 Minimum Bill
Over	5,000 gallons	4.13 per 1,000 gallons

1 1/2-Inch Meter

First	10,000 gallons	\$ 50.50 Minimum Bill
Over	10,000 gallons	4.13 per 1,000 gallons

2-Inch Meter

First	25,000 gallons	\$112.00 Minimum Bill
Over	25,000 gallons	4.13 per 1,000 gallons

\*Garrard County Water Association, Inc.  
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P. O. Box 670  
Lancaster, KY 40444

\*Sean Smith  
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